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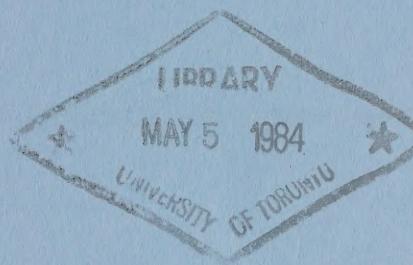
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TRANSIT PERFORMANCE REVIEW GUIDELINES

PART ONE - INTRODUCTION , THE APPROACH AND REVIEW PROCESS

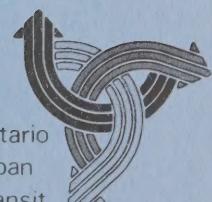


JANUARY, 1984



Ontario

Ministry of
Transportation and
Communications



Ontario
Urban
Transit
Association

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TRANSIT PERFORMANCE REVIEW GUIDELINES

PREFACE

The objective of improved transit performance in Ontario is fundamental to the goal of improving the quality of urban life. The impact that urban transit has in this regard is often unrecognized by the public and similarly taken for granted by passengers and transit operators alike. As a result, all of us associated with urban transit - political decision makers, managers, vehicle operators, maintenance personnel and others - have something to gain from ensuring that public transit is provided in the most effective and efficient manner. Reliable and affordable public transportation services will help meet the challenge of maintaining and strengthening our urban areas, so that they are economically viable and socially attractive places where people can move safely and conveniently.

In a period of slow economic recovery, transportation will continue to experience ever increasing competition for public funds. As transit officials, we can expect far greater public pressure and scrutiny with regard to management's accountability and system performance. Even though Ontario's transit systems are viewed as second to none in North America, all of us must continue to exhibit strong leadership and foresight to ensure that our product is viewed as purposeful and resourceful.

This document has been prepared as a guide to assist transit managers in this extremely important task. It consists of a series of chapters dealing with topics considered critical to managing and operating a public transit system. This material is intended to induce transit managers to review current practices and to stimulate thinking beyond traditional considerations and, in so doing, to generate broader and more analytical perspectives that will yield maximum benefit for every transportation dollar spent.

The Guidelines have been prepared, edited and published by the joint Ontario Urban Transit Association/Ministry of Transportation and Communications Transit Productivity Committee. The Committee was assisted by selected transit consultants recognized as experts in their particular field. We acknowledge the significant contribution that each of these individuals have made to the Guidelines. All of the Committee members and the consultants participated with vigour and commitment throughout the entire exercise.

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PART ONE

1 INTRODUCTION

These performance review guidelines are designed to help Ontario transit managers focus quickly, over an 8 to 10 week period, on where there may be significant opportunities to improve the overall performance of their system. They also are intended to assist them in their continuing efforts in this critical area for management in the future. The guidelines reflect the experience gained by the transit industry in Ontario, and elsewhere in Canada and the United States, in evaluating their performance and in demonstrating if public support for transit is paying off.

The guidelines have been produced by the Ontario Urban Transit Association and Ontario Ministry of Transportation and Communications through their Transit Productivity Committee, which includes representatives of transit management and Ministry staff. The Committee's objective is to assist all Ontario transit systems to maximize the effectiveness and efficiency with which they fulfill their responsibilities to their local communities. The Committee's Terms of Reference are given in Appendix A.

The guidelines are divided into three parts for ease of reference. Part One explains why it is more important than ever for managers at all levels to review and strive for improved performance, who should be involved, what should be reviewed and how the suggested review process works. Part Two deals with the activities that determine the overall resources in manpower and equipment needed to run a transit system. These include management and administrative methods, strategic decision making, and planning. Part Three covers the important activities that relate to the day-to-day operations of the system in the assignment of operators and vehicles to service on the street and to the maintenance of equipment and plant.

Parts Two and Three are checklists of the factors influencing transit performance and some basic questions that each manager and his staff should address to assist them in reviewing their performance.

A Record of Achievement

In 1972 the Ontario Government introduced a program of funding assistance for Ontario municipalities to encourage them to build up and improve their transit systems. Ontario recognized that efforts during the Sixties to make transit an attractive alternative to the private automobile, while meeting costs out of the farebox, had failed with few exceptions. Despite the best efforts of transit managers, transit service was cut to the bone in most communities. It was apparent that without continuing municipal and provincial support transit could not continue to serve those who did not drive, nor play a role in relieving traffic congestion, urban sprawl and the cost and disruption of building new roads.

Given this shift in emphasis in urban transportation priorities, cities and towns were able to revitalize their transit systems. Over the ten-year period to 1982, the number of Ontario communities enjoying transit service increased from 46 to

71 and ridership grew by over 30 percent to 620 million passengers annually. This remarkable growth has shown what the Ontario transit industry can accomplish when the role of transit services are understood and widely accepted by the public, both users and non users, and supported by politicians at both the provincial and municipal level.

Over the past ten years, this support has taken the form of an investment in capital and operating subsidies of \$2 billion by the Ontario Government and \$1.3 billion by the local municipalities. In 1982 the investment by the Province was \$200 million and \$130 million by the local municipalities. These are significant amounts by any measure. They were made possible because transit was recognized as one of the top priorities to attain the social and economic goals for healthy community growth. The funds were available to meet these expectations in a buoyant economy. This kind of support was brought about by transit management demonstrating that the money invested in new equipment and improved service was worthwhile, both in serving their municipality's transportation and development goals and in improving the efficiency of service on the street. They must increase their efforts in this regard.

The Challenge

Now, in a period of economic constraint, senior governments and municipalities are being forced to examine their priorities in an effort to control or cut costs while maintaining services to the public. This is a tall order. It means greater accountability, more competition for public funds, tighter budget control and closer scrutiny in selecting between priorities. Transit is no exception and some municipalities have already imposed budget cuts that have curtailed expansion plans or reduced service. This approach to public spending can be expected to continue even with an upturn in the economy.

It is clear that in this kind of situation, those responsible for transit must not only satisfy themselves that they are running a tight ship but they must also take steps to convince the public and local and provincial politicians that the investment in transit is being managed efficiently. Otherwise there is a risk that funds will be channelled elsewhere where pressures are greater or where it is perceived that the available funds can be used to better advantage. In short, this means that all managers will have to be prepared to evaluate and explain their performance against a background of austerity, where the tough questions are not only how to stick to restraint guidelines but also how to avoid any increase at all or even to reduce costs.

This is why the Transit Productivity Committee produced these guidelines. The Committee believes that by bringing together the collective experience of transit managers in Ontario and elsewhere that it will give everyone fresh ideas on how to question, analyze and evaluate the performance of their system. The guidelines are designed to assist management in identifying what the review process should cover, who should be involved in it and how improved performance can be used to meet the challenges facing them now and in the foreseeable future.

2 THE APPROACH AND REVIEW PROCESS

Performance in transit is no different from any other business, whether large or small. It is a combination of being effective - doing the right things; and being efficient - doing these things well. In short,

$$\text{GOOD PERFORMANCE} = \text{EFFECTIVENESS} + \text{EFFICIENCY}.$$

In a private business the final measure of performance is profit or loss. If there is no market for the proverbial 'widget', then the business will not be effective and it will fail, no matter how efficiently the widgets are produced. Conversely, the widget maker will also fail, even where there is a market, if he cannot produce his product efficiently at a price his customers can afford.

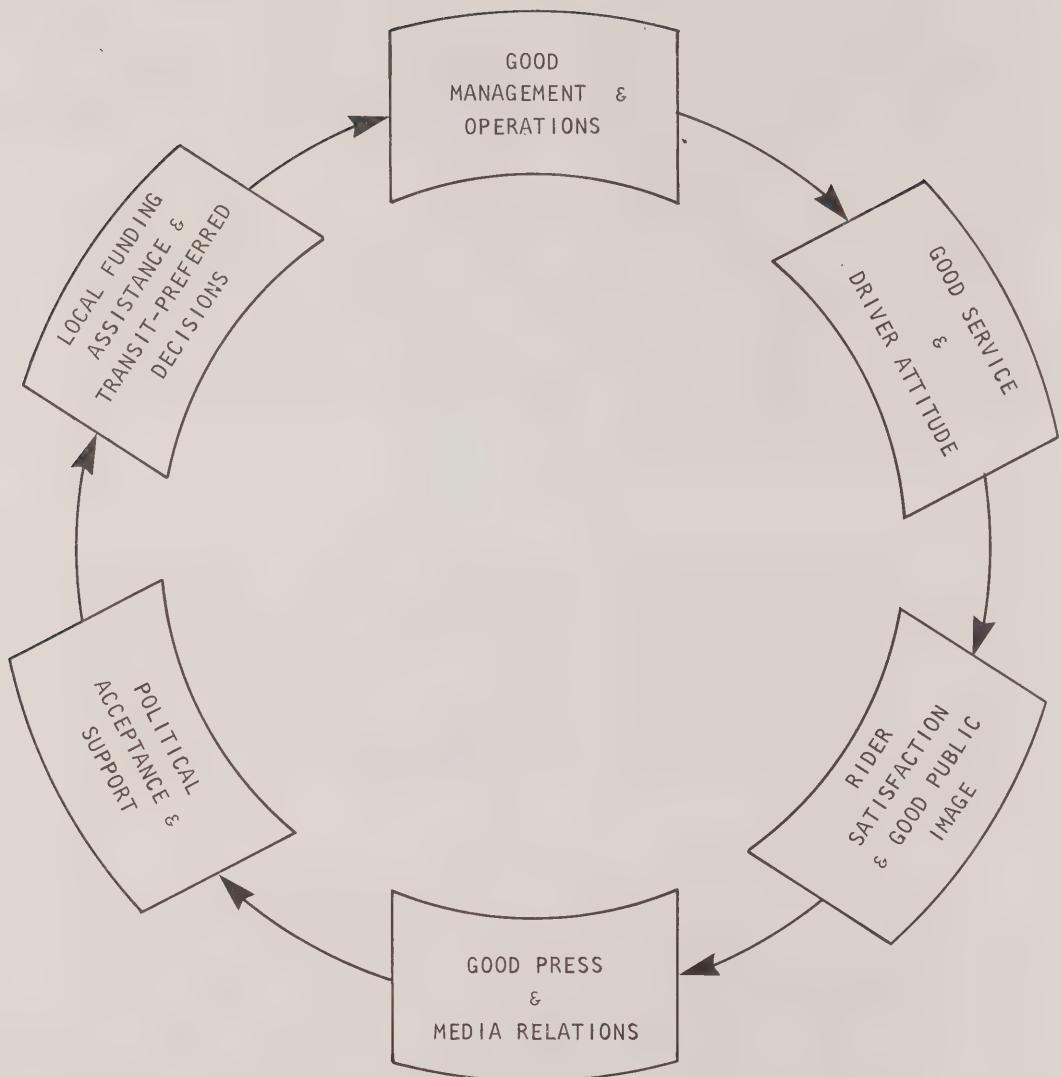
The performance of municipal services, like transit, are judged in different terms but no less demanding ones. Their success, or lack of it, is judged by the extent to which the taxpayers and their elected representatives will continue to support the community benefits and to accept the resulting costs of the service. This is achieved by demonstrating that transit is both effective and efficient, as illustrated by the 'transit performance loop' in Exhibit 2.1. All of the links in this loop interact in achieving effective and efficient service. Transit managers cannot afford to neglect any one of them in attaining good performance and community support for their system.

Effectiveness

Effectiveness means achieving a desired effect. In transit this relates to how well the service meets the needs of the passengers and other community goals for the system as set by policy. It is evaluated using measures such as ridership per capita or passengers per revenue hour. These basic goals or strategic policies are set by the policy group responsible to the public for the service, i.e., the Commission, Council or Committee of Council. They define the quality and quantity of service to be provided, the fares to be charged for the service and determine to a large extent the equipment and staff resources required to operate the service. Consequently they are one of the significant areas for review.

Setting and reviewing policies is no easy task but it is fundamental to good performance. The policy group has the difficult job of deciding how to tailor transit service to what the public expects, as compared to what the community can afford, considering the competing demands of other community services for the available funds. These decisions must be made by the policy group but it is a primary responsibility of management to keep the policy group informed of what the transit service is accomplishing and where and how policies and strategies can be modified to get the most effective service for the money available. In turn, the policy group should expect and encourage management to take the initiative in assisting them to obtain the information needed for strategic planning. They should also recognize that management is operating in a vacuum unless it has specific direction as to the level of service the community requires.

TRANSIT PERFORMANCE LOOP



IF ANY LINK IN THIS LOOP BREAKS DOWN,
EFFECTIVE AND EFFICIENT URBAN TRANSIT MAY NOT BE ATTAINED.

and can afford. Clearly, this means good communications between the management team and the policy group as well as between them and the public.

Efficiency

Efficiency in transit means delivering the service as determined by policy at minimum costs. In other words, the objectives of management are to utilize the human and equipment resources at their disposal in the best possible way to achieve optimum productivity. Typical measures of efficiency are cost per vehicle kilometre or cost per vehicle hour.

Transit service is labour intensive and improved staff productivity can have a major impact on efficiency since wages and salaries make up approximately 70 percent of total operating costs. Consequently, the main task of transit management in achieving excellence in performance is to channel their staff's efforts in the most efficient way.

This too is not an easy task but a challenging one. Firstly, it means making work meaningful and satisfying for all staff through good communications. Secondly, it means providing staff with the tools, procedures, good working conditions, training, equipment and supplies that will help them to do a better job. Some of the main constraints on employee satisfaction and productivity seem to be a result of the labour contracts negotiated between management and the unions. While these are designed to prevent abuse by both parties, they are often based on protecting against the 'worst case' and are often applied by both sides as if this was the norm. These attitudes are counter-productive. They have to be overcome if the industry is to achieve greater employee satisfaction and motivation and consequently better efficiency in the use of manpower. This can only come about through better communication to avoid grievances and, if this fails, through bargaining in which both sides are well informed, respect the other and recognize their mutual interests in conveying to the taxpayers that the transit system is being run efficiently.

In short, transit system performance depends on both effective policies and efficient operations. Management has the dual responsibility of advising the policy group where policies need to be modified to suit changing conditions and in organizing the operation so that all staff can work productively as part of the transit team.

2.1 EVERYONE CONTRIBUTES TO PERFORMANCE

Since the performance of a transit system depends to a large extent on how well everyone understands and performs the activities assigned to them, good two-way communications are essential: between the policy group and management, within the management group itself and with the employees. Experience has shown that a team approach will pay off over the short and the long-term. It will create an environment which will motivate every employee towards improved productivity in his own work and in the use of equipment and plant. Everyone wants to do a better job and to have some say in how this can be

accomplished. Consequently, the following factors are of key importance in carrying out a performance review.

- o Transit is not a one-man show, it is a team effort. The review must involve those responsible for both the policy and management activities under review to obtain their input and commitment to the process.
- o Of equal importance, the review must examine how effective management is in providing leadership and participation for all staff to achieve top performance.
- o Good performance is in everyone's best interest. The review must be carried out to identify areas to improve performance and to assist everyone in doing a better job, not to allocate blame.

This means that the review has to be a team effort carried out in a positive way with the objective of making it easier for everyone to perform well. In larger properties the review team should include department heads, who in turn should present the views of their supervisors and foremen and through them all transportation and maintenance staff. In smaller properties, communications are easier and management can work directly with their supervisors or staff. In all cases policy input is critical at some stage in the proceedings, preferably from the start. Where the transit manager reports directly to a Commission or Committee of Council this should pose no problems. Where he reports through a City Manager or other official, this person should be a part of the review team, or should be fully informed of its work, so that the message is not lost somewhere between the transit manager and policy group.

With this approach, the task of reviewing performance can be shared, while gaining the benefit of cross fertilization of ideas between those who are involved in day-to-day operations and those who have staff functions in planning and in providing administrative support services. Many managers do this now at regular staff meetings but sometimes these are more concerned with putting out fires than with finding out what caused the fire in the first place. Managers themselves can get bogged down in the routine but essential day-to-day business of running their operations and that is why we all have to be reminded to step back from time to time to take a fresh look at performance and the external and internal factors that influence it.

2.2 EVERYTHING CONTRIBUTES TO PERFORMANCE

Every activity performed by the organization contributes to its overall performance as seen from the outside and from within. Experience suggests that the following factors are of key importance in carrying out the performance review:

- o System performance is the end product of everyone's actions. Therefore the review must cover policies as well as operations. Major activities should be broken into work related sub-activities that can be easily understood and isolated for evaluation.

- o Performance has to be measured against targets which can be understood and will be accepted by everyone involved. These measures can be qualitative or quantitative but they must be clear, simple and use information that can be readily obtained.

In short, all of the activities that collectively influence overall performance should be reviewed to answer the two basic questions. Are we doing the right things? Are we doing those things well?

The activities that influence performance in transit systems, whether large or small, are shown in Exhibit 2.2. These are:

- General Management and Administration Support
- Strategic Decision Making
- Planning
- Transportation Operations
- Equipment and Plant

As this exhibit illustrates, all of these activities contribute in influencing performance. Transit systems are established going concerns and constant feedback is necessary between these activities to adjust to changing conditions.

Each of these major activities is the subject of a separate chapter in the guidelines which discuss in detail the factors influencing performance, the measures and information of value in the review and the key questions to be addressed when assessing that activity. The material in each chapter is basically a checklist to help management to focus quickly on areas where performance standards are high and no action is necessary, or not up to expectations and where corrective action or further study is necessary. It is designed to be of assistance not only in the initial review process but also in the ongoing program for improving areas of weakness. Because the material attempts to cover the broad range in size and complexity of Ontario transit systems some aspects may not be applicable.

A summary of the activities covered in each chapter follows.

General Management and Administration - Chapter 3, Part Two

This chapter deals with all of the activities which support the overall operation of a transit system. General management covers the broad area that provides leadership in translating policies into efficient operations through motivating staff and coordinating their activities in the most productive way. Administration includes the support services that are concerned with financial management, management information systems, public relations, labour relations, personnel management and marketing, all of which have to be done well to achieve excellence in overall performance.

While management and administration are not a major cost item in transit, roughly ten to fifteen percent of total costs, they have a profound impact on management's ability to control costs, improve ridership and bring about good

ACTIVITIES INFLUENCING SYSTEM PERFORMANCE

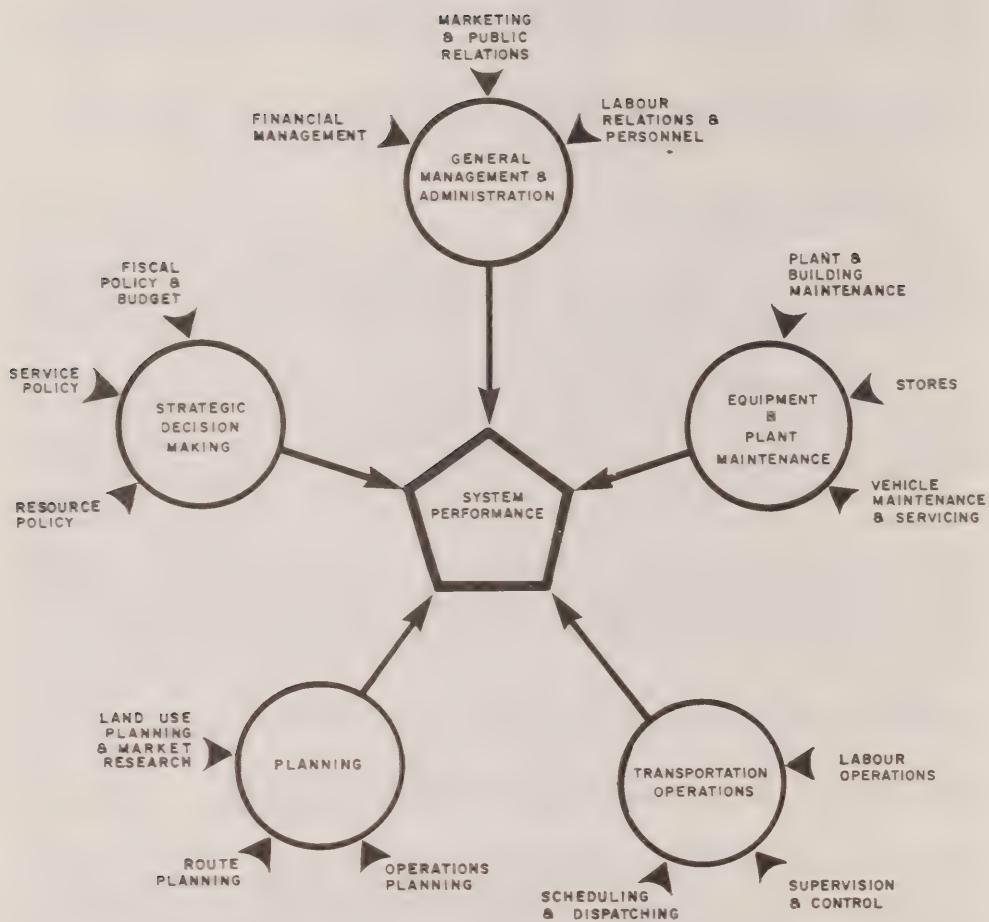


EXHIBIT 2.2

communications and a better working environment to achieve better performance all round.

Management and administrative practices can become a matter of routine where there is a danger of resistance to change and complacency where the status quo is tolerated. The review should question if there are good communications between management and staff and if the support services in place are efficient in making work productive for all staff and effective in responding to their needs. It should also question if good customer and media relations are enjoyed and if these important areas can be reinforced.

Strategic Decision Making - Chapter 4, Part Two

Strategic decision making sets the future direction and policy for the transit system considering the needs of the community and the resources available to meet those needs. These policies have a major influence on the quantity and quality of service to be provided, the fare levels to be charged, funding requirements and the type of organization which operates the service. Since these policies have a major impact on the manpower and equipment needed to operate the system, its financial performance and shaping its future requirements, they are an important area for review.

The key questions to be raised concerning service policies should confirm if these are achieving the desired results or should be modified in the light of changed conditions. Depending on the size of the community and its policy, service policies can range all the way from serving those who do not have access to a car; to attracting motorists to transit in the interest of reduced congestion, less cost for road improvements, conserving energy or more efficient land-use development.

Fares and funding policies are the major determinants of financial policy. In a time of austerity the key questions are: Can the fares be adjusted? Should the transit budget be frozen or reduced until the economy picks up? Answers to these questions will influence future plans to a major extent.

Strategic plans and policies are not cast-in-stone and must be reviewed and modified when necessary to meet changing conditions as and when decided by the policy group. This should be done annually. Involvement in this process by the transit manager, through good communications with the policy group, is an essential part of his job. He has to live with these decisions and make them work.

Planning - Chapter 5, Part Two

Planning is the link between the strategic decisions and the delivery of service for passengers. It provides information to assist management and the policy group in setting goals and objectives for the system and translates these into routes and schedules for the day-to-day operation of the service. As such, it influences both the effectiveness and efficiency of the transit system to a major degree.

In the strategic and policy areas, the important questions in reviewing planning activities are: Do they provide information on trends such as population growth and distribution and on the transportation needs of the public? Do they assist management to understand the nature of the market they are trying to serve and to plan for this? Are service standards defined to guide operational planning? OR, is seat of the pants planning good enough for planning ahead?

On the operational side the review should question if the route network should be altered or extended to meet changing demand, if the schedules are based on up-to-date ridership information, if schedule speed can be improved through traffic management methods, if loading standards are too generous or result in overloading. All of these have a major impact on the fleet size and the efficiency of the transportation department.

While the complexity of the planning process relates to the size of the community being served, it is an essential but often ignored area which can significantly improve the overall performance of a transit system irrespective of size. In many cases, information and assistance can be made available through City Planning and Traffic Departments to help management in this important task.

Transportation Operations – Chapter 6, Part Three

Transportation operations involves running the day-to-day service on the street. As such, it is the major component and makes up over two thirds of transit operating costs. This activity schedules and dispatches crews and vehicles to meet the service requirements as determined by the planning function, supervises service to assist operators to maintain their schedules and provides a control function to rectify problems due to breakdowns or emergency situations as and when they occur. The drivers and supervisors performing this activity are on the front line. Their performance has a major influence on how the transit service is perceived by the public and the efficiency of the overall operation.

In reviewing the quality of transportation service the important questions relate to on time performance, safety, courtesy and driver skills. All of these reflect the drivers' attitudes and the support and training they received from management to help them to do a good job.

In reviewing the efficiency of transportation service, the skills of the scheduler and the dispatcher are all important in assigning regular and spare crews to achieve productive time, within the limitations of the peak and off peak service requirements and the labour contract. The ratio of driver productive time on the street to pay hours is a key to efficiency in transportation operations. This should be examined to determine if changes in scheduling and dispatching methods or in working rules and labour contracts can bring about improved performance.

Equipment and Plant - Chapter 7, Part Three

This activity provides the transportation department with the vehicles necessary to operate the service as and when required and maintains and manages buildings. It too is an important area for review as it makes up 15 to 20 percent of total operating costs and has a major impact on service reliability and the image of the transit system for passengers. The two main elements to be examined are servicing and maintenance since both contribute equally to service quality and costs.

Servicing covers the cleaning, fuelling and other mechanical and safety checks necessary to have the bus ready to go out on its next run. Maintenance covers the inspection, repair and rebuilding of the vehicles on a scheduled basis for preventative maintenance and as necessary to repair breakdowns or accident damage.

The repetitive nature of servicing and maintenance activities lend themselves to work methods and the use of tools to help staff to work more productively. The review should question if these are in place and if staff are well trained in their duties. It should also look at the frequency of breakdowns, how often vehicles are not supplied to meet the requirements of the operating department and the ratio of the fleet available for service, as measures of the efficiency of the equipment department.

2.3 THE REVIEW PROCESS

Up to this point we have examined why it is important to review performance now, what should be reviewed and who should be involved. The next and final step is to suggest how the review should proceed.

A two-phase procedure is strongly recommended. The first phase is intended as an appraisal of all activities to quickly identify the strengths and weaknesses in overall performance and where the priorities lie to achieve better performance. An eight to ten-week period is suggested for this phase, otherwise there is a strong possibility that the review will bog down in detail and the review team will lose its sense of urgency. The second phase would examine the priority areas for improvement identified in the first phase. This would be necessary where short-term action is not obvious and further and more detailed study is required to identify the source and correct the problem.

The process suggested for Phase One should be applicable to all systems irrespective of their size. However the items to be covered, as discussed in the subsequent chapters, may not be applicable to all systems or may have been covered recently, in which case the review process can be adjusted to suit. It is not suggested how Phase Two might proceed, since this will depend on the nature of the activities to be investigated and must be tailored specifically to the subject. But Phase One can and should start now.

The Phase One review has five steps: organize, analyze, evaluate, report and implement. These are described below.

(1) Organize the Review Team and Program

The manager's first step is to appoint the other members of the review team who will conduct the review and coordinate any other staff input. He should obtain their commitment to the process as an opportunity to work together for better performance. The team should develop a realistic program to complete Phase One within an eight to ten-week period. The composition of this group is recommended in 2.1. To be effective it should not exceed six or seven members.

Prior to the first meeting it is desirable that the group should review the entire guidelines document so that at this initial meeting they can have a general discussion on the areas for review and decide how they should proceed and who should do what, by when. This should establish the requirements for and practicability of delegating specific tasks to other staff members who can contribute in a meaningful way and be part of the review team. They should also consider how to inform staff about the review in a positive way to counter any employee concerns.

(2) Question and Analyze

The next step is for each team member to question and analyze the performance of the activities assigned to them for review. To do so they can use readily available information on their internal operations from established targets, annual reports or the Ontario Urban Transit Fact Book, as measures or indicators of performance. These should be augmented with their own intuitive judgment and comments from their staff as to the areas where performance is good or poor, using the appropriate chapter in the guidelines to stimulate their thoughts and ideas in this regard. An extensive data collection exercise is neither necessary nor recommended for Phase One.

It is also useful to compare internal performance with other similar or peer properties by using the material in the Fact Book. This will provide a very general indication of potential areas where performance might be questionable. Caution must be exercised in using this information since no two systems are alike. Performance depends on the nature of the community being served, ridership characteristics, fleet condition, wage rates, all of which can vary considerably.

(3) Evaluate

In the third step the team participants use the information developed in step two to compare past and future trends and to evaluate performance in each activity under review. This should produce a list of items where performance is considered to be good and no further action is required and where performance can be improved, with priorities for action. In the latter case it may be obvious to the team that some measures can be taken to improve performance over the immediate or short-term period. These

can be put in hand wherever possible without waiting for the end of the review. In others, further and more detailed study may be required to identify the underlying problems and their solutions. These would be addressed in Phase Two.

(4) Report

During Phase One, the review team should meet at regular weekly intervals to report on progress and to compare notes on their findings, particularly those that affect the activities of others. Everyone should be encouraged to seek and give advice freely. The team members should bring forward the views of their staff, as gained in meetings with them.

At the end of Phase One, a brief report should be prepared on the results with recommendations on priorities for further action in Phase Two. This should be prepared in such a way that recognizes good performance as well as areas where performance can be improved. The areas where employee participation should be enlisted in attaining improved performance should be described. The report could then be made available to the policy group.

(5) Implement

The Phase One review will only be meaningful if its findings are followed up. This will involve implementing specific changes or identifying areas requiring more detailed study to be undertaken in Phase Two. The implementation program must have the backing of the policy group and management. It is also essential that any changes resulting from the review are monitored carefully to confirm if they are achieving the desired results or should be adjusted. Nothing new is achieved without trial and error or some failure.

In conclusion, while the review process is important, the main benefit to be derived from it is in bringing people together to think and examine their performance collectively in a constructive way. This is how excellence in performance is achieved - not through procedures, methods or tools alone. These are however important in that they are a means to help people to work productively. The following chapters in the guidelines are meant to assist in this process. They are not a text book on how to run a transit system. They are intended to help managers to take an unbiased and fresh approach in looking at every aspect of their system, with the benefit of the experience gained by others who are trying to do the right things and to do these things well.

Once areas have been identified from Phase One that require further and more detailed review, the Committee will consider all reasonable ways and means through which either the Association and/or the Ministry can assist in addressing those particular problem areas. Meanwhile, the Committee will begin to tackle the remaining components of its intended work plan as identified in its Terms of Reference (Appendix A).

The Committee is committed to working with all Ontario transit properties to meet the challenge of the future. How well this commitment can be met will depend to a large extent on the success of Phase One and the subsequent initiatives and willingness of individual properties to participate in and contribute to solutions for this critical and ongoing challenge.

Appendix A

TRANSIT PRODUCTIVITY COMMITTEE

TERMS OF REFERENCE

O.U.T.A. - M.T.C.
TRANSIT PRODUCTIVITY COMMITTEE

OBJECTIVE

The fundamental objective of the Committee is to assist Ontario's Transit Systems to maximize the effectiveness, productivity and efficiency with which they fulfill their responsibilities to their local communities.

TERMS OF REFERENCE

BACKGROUND

Spurred by an infusion of Provincial and Municipal funding, Transit in Ontario has experienced significant and quite rapid growth and advancement in the past decade. New systems have been implemented, service has expanded overall, equipment and facilities have been upgraded and added to, objectives and perspectives have changed, system organizations have expanded, techniques and procedures have improved, and numerous other changes have occurred.

New issues, obligations and complexities in transit management have accompanied these developments, and these have necessitated continued reassessment and modification of administrative and operating practices to maintain pace with these changing roles and responsibilities.

More recently both public and private agencies have been faced with the pressures emanating from an environment of continuing fiscal constraint. As such, individual transit systems have experienced demands for budget restraint, thus requiring ongoing and careful examination of the cost-effectiveness of their system administration and operations. Through this requirement, undoubtedly, several initiatives for improved effectiveness and efficiency have been identified and implemented in the respective systems, and as a result, Transit has generally preserved viable service to the public while maintaining expenditure levels within assigned funding allocations.

With predictions of only minor improvement in the economy, however, and with announcements of continued restraints on public spending in general, it is evident that Transit cannot expect to receive sufficient funds to meet its expectations. Therefore these efforts must be reworked and re-emphasized. All possible improvements must be defined and acted upon if Transit is to retain the high quality and level of service established over its past decade of growth.

It is unmistakably clear that each individual transit system, similar to all other public services and programs, faces an immediate future environment which will contain:

- Greater competition for public funds and therefore tighter budget limitations;
- Continued cost escalations associated with service, labour, materials, equipment, etc.;
- Increased accountability for, and closer scrutiny of, performance by funding agencies, the public and riders.

To address this challenge, each system must consciously and resolutely strive for maximum cost-effectiveness in the planning and provision of its services. Additionally, it must be fully prepared to critically evaluate all aspects of its system, its activities and its methods, to search out opportunities for cost saving. Productivity improvement must become its top priority.

In this regard, it must be realized at the outset that the productivity and performance achieved in any given transit system is the composite result of many influencing factors. A system's strategic planning efforts, its management and organizational structure, its administrative procedures, its operational activities and techniques, and its labour relations are all instrumental in affecting the end results. Consequently, an effective evaluation requires all these contributing components to be subjected to examination in a comprehensive context in order that maximum benefits and opportunities for cost savings might be identified, and rational priorities established for more detailed assessments.

ACTION TAKEN

In recognition of the difficulties and complexities associated with this subject, the variance in size, maturity and capabilities of the respective systems, and the obvious benefits to be derived from cooperation and sharing of expertise within the industry, a joint committee of the Ontario Urban Transit Association and the Ministry of Transportation and Communications has been established to provide a focus and a catalyst for pursuing productivity improvements within Ontario's transit systems.

OBJECTIVES

A Transit Productivity Committee has been established as an ongoing forum to provide leadership, guidance, technical assistance and co-ordination to transit systems in Ontario with respect to all matters influencing productivity and performance. Consequently, the scope of the Committee's interest and initiatives will be broad-based and will address productivity factors associated with the several progressive levels of system organization including policy, management, service planning and operations. In order to be successful in this endeavour, it will be essential that an effective two-way dialogue between the committee and all Ontario Transit Systems be developed and maintained.

The fundamental objective of the Committee is to assist Ontario's Transit Systems to maximize the effectiveness, productivity and efficiency with which they fulfill their responsibilities to their local communities.

In pursuing this objective, the Committee fully recognizes that the responsibility and accountability for the administration and provision of transit services rests with the local jurisdiction.

The Committee desires to:

- Increase the awareness of the importance of improved productivity and performance, and gain general commitment toward addressing this challenge;
- Increase the awareness and understanding of the many factors which influence transit productivity and performance;
- Encourage transit systems to undertake comprehensive reviews of their particular administrative and operational practices, and within its capabilities provide assistance to transit systems for implementing such reviews;

and also to;

- Identify productive and efficient procedures and initiatives which are applicable to the industry, and communicate the pertinent information for the benefit of all systems;
- Identify and seek possible responses to the major factors which would significantly contribute toward continued improvement in productivity and performance.

WORK PLAN

The Committee will meet at short intervals initially in order that a comprehensive approach to this initiative may be developed and confirmed, and an expedient start may be made to the undertaking. Thereafter, the Committee will meet at approximately monthly periods to provide direction, support and approval of assignments and tasks it has commissioned. In time, it will revert to a standing Committee function and report on a periodic basis.

The major components of the work plan to be undertaken by the Committee are described as follows.

- Develop and publish a periodic newsletter which will promote maximum communication, interaction and co-operation between the Committee and the various systems, and provide technical and operational information, in order that the objectives and requirements of both the Committee and the individual systems might be mutually realized.
- Develop and publish a set of guidelines which will encourage and assist transit management in initiating and undertaking comprehensive productivity reviews within their individual systems. In the execution of this particular component of the work plan, the Committee will:
 - (i) Provide individual properties with assistance as required, in interpreting and applying the guidelines. It should be noted that this assistance will be in the form of explaining the nature, intent, and terminology used in the guidelines document. It is recognized that requests to MTC for financial assistance to undertake further detailed investigations as and when necessary, may be forthcoming.

- (ii) Develop a monitoring mechanism to measure the ongoing use and results achieved in the application of the guidelines to ensure continual feedback to improve the quality of the guidelines document as well as identifying industry-wide productivity issues.
- o Determine and implement appropriate mechanisms for identifying and communicating to the systems successful productivity and efficiency initiatives and effective management and operational procedures. These will assist transit management in the actual review and assessment of particular activities, and in the identification of possible opportunities for modification and improvement.
- o Conduct a review of productivity and efficiency issues and related factors influencing performance in the transit industry, and develop a recommended program for addressing priority concerns deficiencies or trends which commonly confront Ontario's transit systems.

The intended activities of the Committee do not require that a rigid sequential phasing be applied to its investigations. Rather, it would appear appropriate for development to proceed on several fronts in parallel or overlapping time frames. In view of the inter-relationship between the activities, it will be necessary to maintain close co-ordination and direction amongst the various components. The following represents preliminary outlines for the major activities, and a tentative schedule for their implementation.

(1) Develop/Publish Newsletter

Objective: To develop widespread interest and motivation toward pursuing improved productivity and performance across all phases and aspects of Transit administration, and to encourage two-way communication between the Committee and individual transit systems.

Newsletter Outline

Preparation: Determine and take action upon the necessary preliminary groundwork to alert possible recipients of the context and intentions of the newsletter in order to avoid possible adverse and uninformed reaction.

Possible Content: Interest motivators ... Committee activities ... individual system reports ... cost saving initiatives ... articles, interviews ... statistical review challenges ... reproduced news items, helpful technical and operational ideas and techniques etc.

(2) Develop/Publish Guidelines for the Implementation of Individual System Reviews

Objective: To develop a procedural guidelines document which will motivate and assist transit managers with respect to the implementation of comprehensive reviews within their individual systems. The purpose of the guidelines would be to illustrate to transit managers the importance and benefits of undertaking comprehensive system assessments; also to provide a blueprint of the various management and operational responsibilities and activities which should be incorporated and addressed in the review, with accompanying outlines of the pertinent evaluations or considerations which should be applied for each of the respective activities. The desired result is to broaden awareness, perspectives and commitment in order to maximize the effectiveness of the system review initiative.

Guidelines Outline

- o Introductory discussion indicating the need and importance of undertaking a comprehensive review, and the benefits to be derived ... intent is to motivate recipient to take positive action within his system.
- o Clearly stated rationale why review should:
 - ... have full management commitment and profile;
 - ... have comprehensive context - external linkages - internal procedures - top to bottom activities/responsibilities - subsequent prioritization of specifics;
 - ... include all aspects, phases of system development - strategic/policy, management/administrative, service/planning, operations - examine all perspectives, what, why, how, when, who.
 - ... have intent, approach fully communicated to all affected, involved parties;
 - ... maximize participation, perspectives of staff,
 - ... be part of a continuing management evaluation process rather than an isolated or superficial effort.
- o Categorization of system organization and subsidiary activities involved - factors which influence results and relative importance - aspects to be reviewed, questioned, and perspectives to be considered. .
- o Indication of available assistance - MTC, OUTA, individual properties, etc.

(3) Documentation/Dissemination of Recommended Practices

Objective: To apprise transit managers of recommended or suggested management and operational activities, procedures, initiatives, techniques, etc. which have been applied by other systems, and which have achieved beneficial, productive and effective results. The desire is to increase transit managers' awareness and understanding of optional practices and their possible application to their systems. This, in turn, would permit a more objective and broader perspective to be introduced in the assessment of specific activities and the identification of potential improvements to their current practices.

o Possible Topics:

- ... Administrative practices;
- ... Development/Implementation of service standards;
- ... Maintenance practices, cash handling;
- ... Revenue sources;
- ... Council relationships, budget preparations and submission;
- ... Purchasing and inventory;
- ... Security and safety;
- ... Scheduling and resource utilization;
- ... Dispatching and operations control;
- ... Equipment, technology;
- ... etc.

o Dissemination Options

o Newsletter, reports, periodicals, workshops, visits, conferences, etc.

(4) Identify/Address Industry-Wide Productivity Issues

Objective: To specify the issues and related factors most critically related to productivity and efficiency results, and to identify possible opportunities which, if properly pursued and developed, would be of general benefit and application to Ontario's transit systems.

Approach

- o Assemble/synthesise information/input and identify major concerns.
- o Identify the primary factors influencing productivity and performance at the various levels and phases of system administration.

- Determine the extent to which these factors and trends are being addressed and controlled in the industry.
- Identify possible opportunities for beneficially influencing these factors and their subsequent impacts.
- Prioritize these opportunities and establish a systematic program for further investigation and development of recommended initiatives.

Committee Organization

The Committee will consist of representatives of OUTA and of MTC, and will be administered under a joint-chairmanship arrangement. A Project Manager, who initially will be assigned from the MTC representatives, will be responsible for the overall administration and co-ordination of project activities under the direction of the Committee.

The Committee may, from time to time, expand its membership or establish sub-committees to gain the perspectives of a broader cross-section of transit system types or expertise in particular areas.

The Committee may make recommendation to MTC with regard to the assignment of consultants or other parties to carry out specific tasks, and may request the MTC to participate in the funding of such requirements.

Consultant Participation

In view of the desired expediency associated with this project, and the variance of expertise required to effectively address the several aspects involved in this task, it is anticipated that the undertaking will require multi-consultant assignments. Separate consultants will be utilized to perform specific tasks or activities under the direction of the Committee. However, in instances where more than one consultant is employed for a particular phase or activity, it may be beneficial to designate one consultant as a co-ordinator.

